

ABSTRACT OF THE DISCLOSURE

[0031] An issuer provides customized derivative securities to an investor by receiving from the investor data regarding the investor's desired risk-return values and at least one issuer of a traded security upon which the investment is to be partially based. A customized security having the desired risk-return value is formulated, and comprises at least one component related to the traded security of an issuer and at least one other component. The customized security is priced according to current market prices for the components and offered to the investor. In a preferred arrangement the method further includes trading the components of the customized security in amount corresponding to their inclusion in the customized derivative security accepted by the investor.